

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address  
The Gas Utilities' Incentive Mechanisms  
And the Treatment of Hedging Under  
Those Incentive Mechanisms

Rulemaking 08-06-025  
(Filed June 26, 2008)

**JOINT MOTION OF THE DIVISION OF RATEPAYER ADVOCATES,  
SOUTHERN CALIFORNIA GAS COMPANY, SAN DIEGO GAS &  
ELECTRIC COMPANY, AND PACIFIC GAS & ELECTRIC COMPANY  
TO STRIKE THE MOTION OF SHELL ENERGY REQUESTING  
THAT THE COMMISSION TAKE OFFICIAL NOTICE OF  
EDISON'S 2008 NATURAL GAS RFO**

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November 18, 2008

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**I. INTRODUCTION**

The Division of Ratepayer Advocates (DRA), Southern California Gas Company, San Diego Gas & Electric Company and Pacific Gas and Electric Company hereby move to strike the Motion of Shell Energy North America (Shell) Requesting that the Commission Take Official Notice of Edison's 2008 Natural Gas RFO filed on November 12th 2008 (Shell Motion). As discussed below, the Shell Motion is actually an impermissible set of substantive comments not provided for in this proceeding's schedule. Alternatively, at a minimum, the Commission should strike the comments incorporated within the Motion.

**II. DISCUSSION**

**A. The ALJ Should Strike Shell's Motion because it is an Impermissible Set of Comments**

Although Shell titles its document a motion, it is, in fact, a substantive set of comments on the merits of its claim that because an electric utility (Southern California Edison Company (SCE)) makes "open an public solicitation of natural gas financial hedge products", the gas utilities should be required to undertake the same type of

solicitations for their hedge customers.” *See* Shell Motion at 1. In addition, the first three pages of the Shell Motion are merely attacks on the current utility confidential hedging process. Shell also repeats its criticism of the closed-door session that already occurred at the workshop. *See* Shell Motion at 2. Parties have already had the opportunity to submit four sets of comments (7/30, 8/14, 10/3, 10/17) and to present arguments at an all-party workshop on November 5. Parties additionally will have at least one additional set of future comments described by the assigned ALJ at the November 5 workshop. Shell has already used the comment period and the workshops to describe its proposals for a utility hedging process.<sup>1</sup> Parties have had a chance to reply to these comments during the scheduled comment dates. Therefore, it is unnecessary and inappropriate for Shell to be filing additional comments under the umbrella of a motion now. Shell’s sandbagging, by filing the motion and additional comments outside of the official comment period is unacceptable according to basic standards of legal fairness. Therefore, DRA strongly recommends that the ALJ deny the request of Shell. At a minimum, the comments included within the motion should be stricken.

The final few paragraphs of Shell’s Motion are the only portion that actually give legal justification for the relief requested-that judicial notice of SCE’s RFO be considered in order to show the Commission “the type of open solicitation process that should be undertaken by all the gas utilities.” *See* Shell Motion at 4. However, the relief requested is entirely unnecessary. Shell can refer to Edison’s gas solicitation process in the next set of comments if the ALJ determines that Edison’s gas solicitation is relevant to this proceeding.

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<sup>1</sup> In its November 5 presentation at the workshop, Shell compared SCE’s hedging to possible gas utility hedging, stating “SCE conducts very public and very large solicitations through which they procure long-dated products.” *See* Shell presentation at 19.

Respectfully submitted,

/s/ GREGORY HEIDEN

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November 18, 2008

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I hereby certify that I have this day served a copy of the foregoing document  
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SOUTHERN CALIFORNIA GAS COMPANY, SAN DIEGO GAS & ELECTRIC  
COMPANY AND PACIFIC GAS & ELECTRIC COMPANY TO STRIKE THE  
MOTION OF SHELL ENERGY REQUESTING THAT THE COMMISSION  
TAKE OFFICIAL NOTICE OF EDISON’S 2008 NATURAL GAS RFO**” in  
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/s/      REBECCA ROJO

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